

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6211**

**BILL NUMBER: SB 135**

**DATE PREPARED:** Dec 10, 2000

**BILL AMENDED:**

**SUBJECT:** County Solid Waste District Property Tax Rate.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill permits a single-county solid waste management district to impose a property tax rate calculated to achieve the district's maximum permissible levy if the current maximum property tax rate resulted in collections with respect to 2000 taxes payable in 2001 in an amount less than the maximum permissible levy.

**Effective Date:** Upon passage; July 1, 2001.

**Explanation of State Expenditures:** The state's expense for property tax replacement credits (PTRC) could be increased under this bill. Based on the possible additional levies estimated below, the state could have an additional PTRC liability of \$141,000 per year beginning in CY 2002.

PTRC is paid from the Property Tax Replacement Fund which is annually supplemented by the state General Fund. Any additional PTRC expenditures would ultimately come from the General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, solid waste management districts are subject to both a maximum permissible levy and a maximum rate of \$0.25 per \$100 of assessed value. Because of a change in the definition of assessed value that will take effect with the 2001 payable 2002 tax year, the current \$0.25 maximum tax rate will be equal to \$0.0833 in 2002. These scheduled changes do not affect tax levies or tax bills in any way. However, for clarity, tax rates in this estimate will be expressed in 2000 terms.

This bill would permit a solid waste management district to exceed the maximum tax rate beginning in 2002 if the district imposes the maximum rate in 2001, but generates a levy that is less than the maximum

permissible levy. CY 2001 tax rates will not be finalized until early 2001. Therefore, this estimate is based in CY 2000 tax rates and levies.

In CY 2000 there was only one district, Lawrence County, that imposed the full \$0.25 tax rate. Two additional districts had rates approaching the maximum: Gibson County @ \$0.2477 and Washington County @ \$0.2400. The \$0.25 maximum tax rate is not enough to generate the maximum permissible levy for any of these three districts. Assuming that these three districts each adopt the maximum rate for 2001, they would also be able to increase their levies and rates after 2001. The following table estimates the additional property tax levy and tax rate that these districts would qualify for under the proposal, based on CY 2000 levy data.

<b>District</b>	<b>2000 Tax Rate</b>	<b>Additional Levy Under Proposal</b>	<b>Additional Tax Rate Under Proposal</b>
Gibson County	\$ 0.2477	\$ 126,000	\$ 0.0400
Lawrence County	\$ 0.2500	\$ 531,000	\$ 0.2000
Washington County	\$ 0.2400	\$ 49,000	\$ 0.0300
Total		\$706,000	

These estimates assume that only the three districts that are at or approaching the \$0.25 rate limit will impose the maximum rate in 2001. The estimates also assume that the identified districts would take full advantage of the additional levy authority under this bill. The actual fiscal impact of this bill depends on local action.

**State Agencies Affected:** State Board of Tax Commissioners.

**Local Agencies Affected:** County Solid Waste Management Districts.

**Information Sources:** Local Government Database, State Board of Tax Commissioners.